

**ORDINANCE NO. 7
SERIES 2013**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GUNNISON, COLORADO, AMENDING TITLE 12, CHAPTER 12.40, UTILITY SERVICE RATES AND FEES, RULES AND REGULATIONS, SECTIONS 12.40.030(C), DEPOSIT REQUIREMENTS FOR MONTHLY SERVICE AND 12.40.030(E)4 AND 5 RECONNECTION OF MONTHLY SERVICE.

WHEREAS, the City of Gunnison, Colorado, (the "City"), is a home rule municipality with authority to determine utility services rates and fees, rules and regulations regarding utility service provided to customers by the City; and

WHEREAS, the City Council has by prior ordinance established deposit requirements for monthly utility service and fees for reconnecting utility service; and

WHEREAS, the City Council has reviewed the current City of Gunnison Municipal Code provisions as such relate to utility deposit requirements for monthly service contained in Sections 12.40.030(C) and utility reconnection fees, contained in 12.40.030(E)4 and 5; and

WHEREAS, the City Council has determined that the currently codified interest rate of 8.25% greatly exceeds current rates of interest paid in the United States, that the City is receiving a rate of return on its investments at a rate of less than 0.25%, and that paying interest upon return of deposits at any rate is not in the financial best interest of the City; and

WHEREAS, the fees for reconnecting utility service and collecting delinquent accounts have not been amended or updated in several years and are significantly low in relation to the cost to the City of reconnection and collection.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GUNNISON, COLORADO, ORDAINS THAT:

Section 1. The *City of Gunnison Municipal Code*, Section 12.40.030(C) Deposit Requirements for Monthly Service, is hereby amended to read as follows:

C. Deposit Requirements for Monthly Service

The City may require any customer to give an approved guarantee that their bill for service will be paid promptly, by providing a letter of credit from a utility company who has provided services to the customer within the past six months, reflecting the customer has not had any delinquencies within the previous twelve month period. In lieu of such a guarantee, the City may require any customer to make a cash deposit sufficient to secure the payment of an estimated billing not to exceed a 90-day billing, but if a deposit is required it may never be less than \$100.00. The cash deposit will be returned to the customer either after: (a) the service is ordered discontinued and all charges for services are paid in full; or (b) in December following one year of service with the City, provided no monthly billing has been in default of payment. The City will apply the amount of the refundable deposit to any charges for services outstanding at the time of the discontinued service. Any deposit remaining will be refunded to the customer as quickly as practicable.

Section 2. The *City of Gunnison Municipal Code*, Section 12.40.030(E)4 and 5, Reconnection of Monthly Service is hereby amended to read as follows:

4. The reconnection fee shall be \$30.00.

5. The collection fee shall be \$20.00.

Section 4. The above amendments shall take effect immediately upon passage of this Ordinance.

Section 5. Should any sections, clause, phrase, or provision of this ordinance be ruled invalid or unenforceable by any court of competent jurisdiction, it is hereby declared the intent of the City Council of the City of Gunnison, Colorado, that the remaining provisions of this ordinance shall be given full force and effect if it is possible to do so.

INTRODUCED, READ, PASSED, AND ORDERED PUBLISHED this 9th day of April, 2013, on first reading, and introduced, read, passed and adopted on second and final reading this 23rd day of April, 2013.

Ellen Haveman

Mayor

(SEAL)

ATTEST:

Gail Davidson
City Clerk

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